

RESOLUTION NUMBER R- 314084 (NEW SERIES)

DATE OF FINAL PASSAGE MAY 09 2022

A RESOLUTION OF THE COUNCIL OF THE CITY OF  
SAN DIEGO DECLARING THE INTENT OF THE CITY TO BE  
REIMBURSED FOR CERTAIN CAPITAL EXPENDITURES  
RELATED TO THE STORMWATER CAPITAL  
IMPROVEMENT PROGRAM FROM THE PROCEEDS OF  
OBLIGATIONS.

WHEREAS, the City of San Diego (City) Stormwater Capital Improvement Program is composed of multiple projects including the planning, design, and construction of all assets within the City's Stormwater System including natural waterways, conveyance pipes, outfalls, drains, pump stations, channels, and green infrastructure (Projects) located throughout the City; and

WHEREAS, the City has applied to the United States Environmental Protection Agency (EPA) for a credit facility (WIFIA Credit Facility) under the Water Infrastructure Finance and Innovation Act (WIFIA), the proceeds of which will be utilized to assist in financing 49% of the \$733 million total cost of several Projects, which is the maximum amount that the EPA will finance under WIFIA; and

WHEREAS, the City will need to utilize other funding sources including pay-go funds, State Revolving Fund loans, lease revenue bonds and commercial paper to pay for the remaining 51% of eligible costs (Obligations); and

WHEREAS, the City has determined that the WIFIA Credit Facility will provide a low interest cost financing opportunity and therefore the City has applied for a WIFIA Credit Facility of up to \$359.2 million for several Stormwater Capital Improvement Program Projects; and

WHEREAS, on April 5, 2022, the City Council adopted Ordinance Number O-21445 (Ordinance) authorizing and approving the financing of several Projects through the WIFIA Credit Facility; and

WHEREAS, the City will pay certain capital expenditures in connection with the Projects (Expenditures) prior to the issuance of one or more series of tax-exempt Obligations in the expected approximate principal amount of \$373.8 million; and

WHEREAS, the City reasonably expects that certain of the proceeds of the Obligations will be used to reimburse the City for the Expenditures; and

WHEREAS, Section 1.150-2 of the Treasury Regulations requires the City to declare its reasonable official intent to be reimbursed for prior Expenditures made for the Projects with proceeds of a subsequent borrowing; NOW, THEREFORE,

BE IT RESOLVED, by the City Council of the City of San Diego, as follows:

Section 1. The City Council hereby finds and determines that the statements set forth above in the recitals to this Resolution are true and correct.

Section 2. The City hereby states its intention and reasonably expects to reimburse, with proceeds of the Obligations, costs of the Projects incurred prior to the issuance of the Obligations.

Section 3. The reasonably expected maximum principal amount of the Obligations is \$373.8 million.

Section 4. This Resolution is being adopted on or prior to the date that is not later than 60 days after the date or dates that the City will expend monies for costs of the Projects to be reimbursed from proceeds of the Obligations (such date or dates, the "Expenditure Date or Dates").

Section 5. Except as described below, the expected date of issue of the Obligations will be within eighteen (18) months of the later of the Expenditure Date or Dates and the date the applicable portion of the Projects is placed in service; provided that the reimbursement may not be made more than three (3) years after an Expenditure Date.

Section 6. Proceeds of the Obligations to be used to reimburse prior Expenditures are not expected to be used, within one (1) year of reimbursement, directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next succeeding one-year period on any tax-exempt obligation of the City other than the Obligations) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the issuer or any entity related in any manner to the City, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

Section 7. This Resolution is consistent with the budgetary and financial circumstances of the City, as of the date hereof. No monies from sources other than the Obligations issued are, or are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by the City (or any related party) pursuant to their budgets or financial policies with respect to the costs of the Projects. To the best of our knowledge, this City Council is not aware of the previous adoption of official intents by the City that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

Section 8. The limitations described in sections 4 and 5 do not apply to (a) costs of issuance of the Obligations, (b) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the Obligations, or (c) any preliminary expenditures, such as

architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Obligations that finances the Projects for which the preliminary expenditures were incurred.

Section 9. This resolution is adopted as an official action of the City in order to comply with Treasury Regulation § 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of City Expenditures incurred prior to the date of issue of the Obligations, is part of the City's official proceedings, and will be available for inspection by the general public at the main administrative office of the City.

Section 10. This declaration of intent does not bind the City to make any expenditure, incur any indebtedness, or proceed with the Projects.

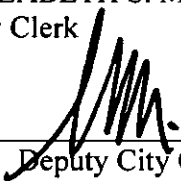
APPROVED: MARA W. ELLIOTT, City Attorney

By     /s/ Bret A. Bartolotta      
Bret A. Bartolotta  
Deputy City Attorney

BAB:jdf  
04/13/2022  
Or.Dept:Debt Management  
Doc. No. 2917914

I certify that this Resolution was passed by the Council of the City of San Diego, at this meeting of APR 26 2022.

ELIZABETH S. MALAND  
City Clerk

By  \_\_\_\_\_  
Deputy City Clerk

Approved: 5/9/22  
\_\_\_\_\_  
(date)

 \_\_\_\_\_  
TODD GLORIA, Mayor

Vetoed: \_\_\_\_\_  
\_\_\_\_\_  
(date)

\_\_\_\_\_  
TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on APR 26 2022, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jennifer Campbell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stephen Whitburn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monica Montgomery Steppe	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marni von Wilpert	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Raul A. Campillo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vivian Moreno	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sean Elo-Rivera	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage MAY 09 2022.

**(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)**

AUTHENTICATED BY:

TODD GLORIA  
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND  
City Clerk of The City of San Diego, California.

By , Deputy

Office of the City Clerk, San Diego, California

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